

# Audit's® NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

# Realty Trust Review

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## INVESTMENT OUTLOOK: REALTY TRUSTS STRONG; TRUSTS NOW REPAYING BANKS SUGGESTED

Realty trusts outperformed the general market so far in the summer rally.

That means investors still believe higher interest rates won't choke off the recovery. Big institutional trust stocks are no longer making the new-low list and several recovery candidates are popping to new 1978 highs.

Overall trust shares rose 7.1% in the past month (table, Page 3) while the Dow-Jones Industrials moved up 6.9%. Trusts are ahead 12.1% for 1978 vs. 7.0% for the DJI.

A look at listed stocks making new 1978 highs the past 2½ weeks shows what investors are buying -- and what you should focus on now.

Only seven dividend payers touched new peaks: General Growth Props., Federal Rlty., Gould Investors, Investors Realty, ICM Realty, Penn REIT and U.S.Bantrust.

GGP, Gould and Investors are benefitting from dividend boosts (see p. 3) and Penn is attracting attention because of a recent block purchase (RTR, Aug. 11). (turn page)

## KEEPING UP WITH OUR SISTER SERVICES

Two REALTY STOCK EVALUATION packets are ready or nearing completion:

Packet No. 1: Ready: First Union RE

Packet No. 2: Aug. 31: BankAmer. Rl.

Investors Rlty. San Francisco RE

Federal Realty Realty Income Tr.

Lomas & Net. Mtg. So. Atlantic Trust

Property Capital B.F. Saul REIT

Prices prepaid: \$15 for any individual EVALUATION, \$20 for each packet

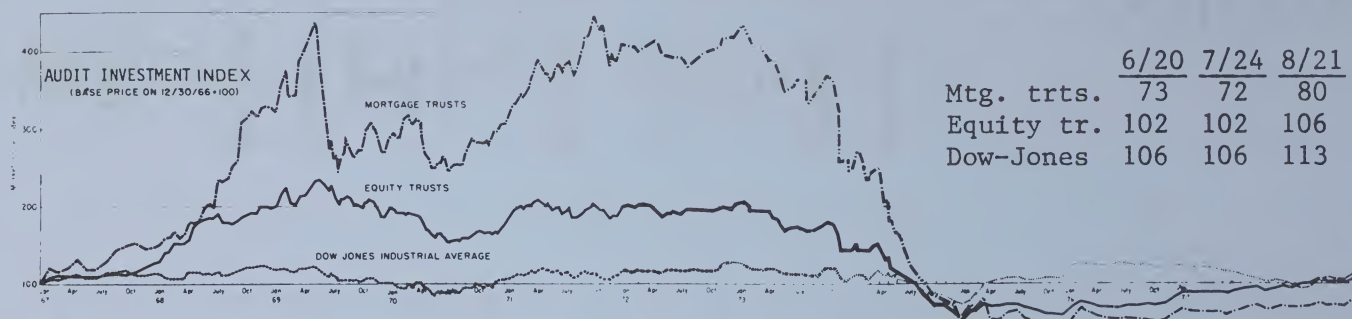
**NEW SUBSCRIPTION PRICE:** Most reluctantly, we must increase subscription prices to \$148 annually effective Oct. 1. That 8.8% rise is below current inflation rates.

Also, hourly rates for consultation with subscribers must go to \$175/hour, our first rise in over nine years. Non-subscriber rate is \$250/hourly.

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But ICM Realty is an authentic recovery candidate, albeit paying an annual dividend, and it was joined by nine other non-dividend payers on the new-high list.

Those nine: American Cent., Bay Colony Prop., Cameron-Brown, Cousins Mtg., Diversified Mtg., Midland Mtg., Mtg. Trust of Amer., South Atlantic, and State Mutual, all on the NYSE; and Mission Inv. Trust on the ASE.

Look closer and you can see an important pattern to guide your buying:

All have recently made peace with their banks or are embarked on ambitious efforts to cut bank debt sharply. Bay Colony and State Mutual both completed major debt restructurings (although Bay Colony has a gambling play (RTR, Aug. 11).

American Century, Cameron-Brown and Mission Inv. are swapping assets to banks and selling others to cut debt sharply; Mission plans to repay banks by Nov. 1979.

Midland Mtg. failed in a recent restructuring of its subordinated debt but the trust says it hopes to swap out of all bank debt by end of August; thus both shares and bonds have rallied sharply.

South Atlantic (formerly Atico Mtg.) agreed Aug. 4 with banks after long talks and now looks toward swaps and an aggressive development program to shed assets and bank debt. New management is aggressive, has condo sales moving after long lull.

SAT shares resumed trading on NYSE with a bang, up to new high of \$4. But heavy land and unfinished condos hurt, says our new REALTY STOCK EVALUATION (p. 1).

Diversified and Cousins both have taken major steps to seek mergers and/or acquisitions to use their large tax-loss carryforwards (see RTR, June 9).

So you should look for stocks with prospects of getting out of the banks.

Eastover Corp. repaid all bank debt in May (RTR, June 9) and Lincoln Mtg. got free of banks in late July. IDS Realty borrowed from its parent to repay banks.

But here are seven suggestions for trusts that could be free of banks soon:

Midland Mtg.: Owes less than \$2.0 million to banks and hopes to repay this month.

Texas First: Owed \$6.8 million at Mar. 30 and swapping to get out of banks.

Citizens Growth: Bank debt down to \$1½ million and swapping/selling rapidly.

Citination Dev.: Repaid all bank debt but has \$3.3 million commercial paper.

C.I. Realty: Negotiating mortgage on large NYC office to repay last \$7.7 million.

Property Capital: Down to \$7.4 million now and could be out of banks within year.

Barnett-Winston: Settling dispute with last bank and \$2 million debt; tendering for subordinated debentures at 58% of par or new 5% subordinated debenture.

Mission Inv. and Cont. Illinois Realty (see p. 8) are telling banks they'll be fully or mostly repaid by end of 1979. Ditto for Tri-South Mtg.

MERGERS & ACQUISITIONS: Buckeye Federal S&L is offering \$18 in a preferred for Nation-wide RE, topping \$17 preferred by Old Stone Corp. (RTR, Aug. 14). No winner yet.

Investors Realty Trust (ASE) and Summit Properties (OTC) are talking merger but no details have surfaced and principals say they haven't discussed numbers yet.

Eastover Corp. has acquired 12.4% of shares of Texas First Mtg., including shares held by investor Brent Baird (RTR, Aug. 11). Eastover will seek a board seat.



## DIVIDEND TRENDS: NUMEROUS HIKES IN AUGUST OFFSET TWO MINOR REDUCTIONS

Six trusts raised their quarterly payouts in August from the previous quarter, more than offsetting two minor reductions. Pacific-Southern Mtg. cut 1¢ because of fluctuating legal fees and Realty ReFund was impacted by higher interest cost on new debentures. Some boosts were fair-sized. BankAmerica Realty raised 5¢ for the second quarter in a row and Investors Realty for the second time in four quarters. Three property trusts increased: General Growth, Terrydale and Gould Investors, plus mortgage lender Lomas & Nettleton. Property Capital's 30¢ included 10¢ capital gains.

	Up	Same	Down	Total	%Change
Aug.	6	8	2	16	+3%
Year	41	82	6	129	--
-----From previous year-----					
Aug.	12	3	1	16	+16%
Year	79	43	7	129	--

Trust	Record date	Latest	Previous	Amt.	Net change--	Year Ago	% Change
					Percent		
BankAmerica Rlty.	9/1	\$0.25	\$0.20	\$+.05	+25%	\$0.15	+67%
Consol. Capital Rlt.	8/17	0.17M	0.17	--	NC	0.1684	+1
General Growth	9/8	0.39	0.37	+.02	+5	0.37	+5
Gould Investors	9/15	0.22	0.20	+.02	+10	0.15	+47
Investors Realty	9/8	0.15	0.125	+.025	+20	0.00	+
Lomas & Nettleton Mt.	8/11	0.45	0.43	+.02	+5	0.35	+29
New Plan Realty	8/15	0.085M	0.085	--	NC	0.08	+6
Pacific-Southern Mt.	8/14	0.15	0.16	-.01	-6	0.12	+25
Property Capital	8/31	0.30	0.30	--	NC	0.30	NC
Prudent REIT	9/8	0.06	0.06	--	NC	0.05	+20
REIT of California	7/1	0.30	0.30	--	NC	0.30	NC
Realty Income	9/1	0.35	0.35	--	NC	0.35	NC
Realty ReFund Tr.	9/11	0.47	0.51	-.04	-8	0.59	-20
San Francisco RE	8/11	0.30	0.30	--	NC	0.15	+100
Terrydale Rlty.	8/18	0.40	0.37	+.03	+8	0.37	+8
University REI	8/23	0.06M	0.06	--	NC	0.05	+20
Virginia REIT	8/9	0.15	0.15	--	NC	0.10	+50
Washington REIT	9/5	0.45	0.45	--	NC	0.44	+2
Wells Fargo M&E	8/4	0.30	0.30	--	NC	0.27	+11
TOTALS(16 Trusts)b		\$4.69	\$4.575	\$+.115	+3	\$4.06	+16

b-Excludes monthly dividends. NC-No change. M-Monthly.  
Trusts with dividends reduced underlined.

## COMPARATIVE TRUST GROUP AVERAGE 08/21/78

GROUP	QUAL	NON-QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	21	0	21	2169	11.27	1.01	1.09	13.43	3.7	5.5	12.4	7.6	19.2	9.6	683.6
-SMALL	7	0	7	893	12.54	1.30	1.49	13.27	5.7	12.7	8.9	9.8	5.8	11.9	76.1
-SUBOR LAND	3	0	3	1862	16.03	1.08	1.54	12.21	6.7	3.2	7.9	8.8	-23.8	9.6	58.5
AVERAGE 3 PROP GROUPS			31	1851	12.01	1.08	1.22	13.27	4.4	6.8	10.9	8.2	10.5	10.2	818.2
PROP & MTG COMBINATION	15	9	24	2137	9.71	0.39	0.49	7.74	7.1	15.8	15.6	5.1	-20.3	5.1	453.2
SHORT-TERM MTG	11	0	11	1757	14.98	0.58	0.64	9.60	4.2	15.6	15.0	6.0	-35.9	4.3	205.1
LONG-TERM MTG/PROP	13	0	13	3443	14.75	0.97	0.97	11.10	7.1	-5.3	11.5	8.7	-24.7	6.6	494.2
MTG/FCLSD PROP-MISC	8	7	15	2717	3.75	0.00	0.50	3.35	23.6	36.7	6.7	0.0	-10.5	13.4	133.1
-BANK	0	16	16	2060	2.99	0.00	0.09	3.25	12.4	33.1	38.0	0.0	8.7	2.9	91.0
-INDEPEND	0	32	32	3175	0.71	0.00	0.19	2.28	13.5	55.8	11.7	0.0	220.7	27.4	174.2
AVERAGE 3 MTG/FCLSD PROP			63	2782	2.01	0.00	0.24	2.78	15.9	42.8	11.6	0.0	38.1	11.9	398.3
OVERALL AVERAGE	78	64	142	2451	7.66	0.43	0.59	7.20	7.1	12.1	12.1	6.1	-6.1	7.8	2369.0
DOW-JONES INDUSTRIAL AVERAGE								89.23	888.95	6.9	7.0	10.0	5.3		

\*Latest quarter annualized

## STRAIGHT BONDS

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ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD	ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD
BARNETT MTG-C	OC	6.75	'91	5.4	64.00	14.3	DEF	MIDLAND MTG-B	NY	8.00	'80	17.1	73.13	10.0	10
BARNETT MTG-CD	OC	8.50	'98	9.6	90.00	9.8	DEF	MTG INV WASH-BG	OC	9.25	'80	15.0	72.00	0.0	12
BARNETT-WIN-CE	OC	8.25	'98F	30.0	68.00	13.3	DEF	NATIONWIDE RF-C	OC	7.00	'91	6.5	74.00	0.0	9
BAY COLONY PROP-B	OC	8.50	'89	17.0	72.50	2.1	11	NJB PRIME INV-C	OC	7.00	'80F	4.7	39.00	-2.4	DEF
BAY COLONY PROP-C	NY	8.50	'81F	6.8	86.75	2.1	9	NO AMER MTG-B	OC	8.50	'87	12.1	75.00	2.7	11
BT MTG INV-C	OC	5.75	'82	19.4	57.00	-1.6	10	NO AMER MTG-C	NY	5.50	'79	16.3	92.00	4.5	6
CHASE MAN TR-A	OC	7.88	'78F	36.7	81.50	11.6	DEF	REALTY REFUND-C	NY	12.00	'98	15.0	102.00	1.0	11
CHASE MAN TR-C	OC	7.50	'83	41.2	37.00	12.1	20	SAUL (B.F.)-C	NY	8.50	'80	25.0	94.00	0.5	9
CITIZNSO RLTY-C	OC	6.75	'78	30.0	93.00	1.1	DEF	SECURITY MTG-#	AS	7.25	'82	50.0	89.00	2.7	8
CITIZNS MTG INV-B	OC	8.50	'80	20.0	42.00	13.5	DEF	SECURITY MTG-C#	OC	6.00	'82	17.1	67.00	0.0	9
CONT ILL RLTY-B	NY	7.63	'79	25.0	91.50	6.2	8	SO ATLANTIC-C#	NY	6.75	'82F	16.9	72.00	26.3	9
COUSINS M&E-C	NY	6.50	'82F	30.0	68.00	5.0	9	STATE MUT INV-B	NY	9.00	'80F	6.2	96.00	1.1	9
FIRST MTG INV-A	OC	6.75	'82	9.1	50.00	0.0	13	TRI-SOUTH MTG-B	NY	7.75	'80F	19.3	88.00	10.7	DEF
FIRST NEWPORT-B	OC	8.75	'79	7.4	79.00	19.7	11								
FIRST VIRGINIA M	OC	4.00	'80	15.0	67.00	1.5	6	DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-CONVERTIBLE AT \$39 TILL 9/1/78 WHEN PRICE MAY BE ADJUSTED. E-CONVERTIBLE AT \$31 TILL 12/1/78 WHEN PRICE WILL BE ADJUSTED. F-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE RATE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES, A-E: 6-7/8, 7-1/8, 7-3/8, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION.							
FIRST VIRGINIA-B	OC	8.00	'80	5.0	78.00	2.6	10	X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT.							
GMR PROPERTIES-C	AS	7.70	'80	20.0	84.50	3.7	9	#-MAY BE USED AT PAR TO EXERCISE WARRANTS.							
GREAT AMER MGMT-B	OC	7.55	'79	25.0	31.00	55.0	VJ	F-TRADES FLAT, WITHOUT ACCRUED INTEREST.							
GREAT AMER MGMT-C	OC	8.75	'83	25.0	20.00	42.9	VJ	**GUARDIAN MORTGAGE SUSPENDED BY S.E.C.							
GROWTH RLTY-C	NY	6.75	'82	9.2	79.75	3.6	8								
GUARDIAN MTG-B	OC	7.50	'79	25.0	0.00	****	VJ								
GUARDIAN MTG-C#	OC	6.75	'86	8.6	0.00	****	VJ								
IDS REALTY-H	OC	----	----	127.8	66.00	0.0	NC								
INSTITNL INV-B	NY	7.88	'80	20.0	87.00	18.6	9								
JUSTICE MTG-B	OC	7.75	'79	9.6	49.00	0.0	VJ								

	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)	
PROPERTY TRUSTS-OVER \$25M ASSETS														
AMER EQUITY IT#	O-AEQTS	2497	6.64	0.76	JUN	1.34 ↑ 7.75	-3.1	34.8	5.8	9.8	16.7	20.2	19.4	
API TRUST	O-APITS	1012	7.53	0.00	DEC	0.00	-12.1	-35.3	0.0	0.0	-63.5	0.0	2.8	
CNNLTH RLTY #	O-CRTYC	1180	6.24	0.80	MAY	0.77 ↑ 10.00 X	4.6	11.1	13.0	8.0	60.3	12.3	11.8	
CONSOL CAP RLY#	O-CCPLS	1989	17.99	2.04	← MAY	1.68 ↓ 28.00 X	0.6	3.7	16.7	7.3	55.6	9.3	55.7	
CONT ILL PROP#	N-CIE	4808	19.93	1.28	APR	1.48	15.00	0.8	-3.2	10.1	8.5	-24.7	7.4	72.1
DENVER REIA#	O-DENVS	1101	8.06	0.72	MAR	0.84	10.88	-3.3	29.8	13.0	6.6	35.0	10.4	12.0
FEDERAL REALTY	A-FRT	1457	9.77	1.36	JUN	1.16 ↑ 17.38	2.2	7.0	15.0	7.8	77.9	11.9	25.3	
FIRST FIDELITY#	O-FFITS	866	9.90	0.40	MAY	0.00 ↓ 10.88	11.6	93.3	0.0	3.7	9.9	0.0	9.4	
FIRST UNION #	N-FUR	4260	8.43	1.04	APR	1.14	11.75	2.2	-8.8	10.3	8.9	39.4	13.5	50.1
FLORIDA GULF#	O-PGLFS	995	14.71	1.28	APR	1.32	13.00	0.0	-7.1	9.8	9.8	-11.6	9.0	12.9
GENERAL GROWTH#	N-GGP	6202	6.40	1.56	↑ JUN	1.73 ↑ 27.50	11.7	14.0	15.9	5.7	329.7	27.0	170.6	
GOULD INVESTOR#	A-GTR	1174	7.20	0.88	↑ JUN	1.20 ↑ 9.00	5.9	28.6	7.5	9.8	25.0	16.7	10.6	
GREIT REALTY #	A-GRT	998	11.27	0.40	APR	0.72	6.50	8.3	1.9	9.0	6.2	-42.3	6.4	6.5
HUBBARD REI	N-HRE	4004	22.75	1.36	APR	1.64	17.00	1.5	-4.2	10.4	8.0	-25.3	7.2	68.1
NEW PLAN RLTY#	O-NPLNS	1690	4.24	1.02	APR	1.06	11.00 X	5.6	-10.2	10.4	9.3	159.4	25.0	18.6
PENN REIT #	A-PEI	1516	12.55	1.25	← MAY	2.00	15.25 X	2.4	7.0	7.6	8.2	21.5	15.9	23.1
PRUDENT REIT#	A-PRU	3146	2.30	0.24	← MAY	0.28	3.63	3.7	38.0	13.0	6.6	57.8	12.2	11.4
REIT OF AMERICA	A-REI	1633	21.60	1.20	MAY	1.24	14.75	-0.9	1.7	11.9	8.1	-31.7	5.7	24.1
SAN FRAN RE #	A-SFI	1376	19.91	1.20	← JUN	1.32	16.75 X	3.3	10.7	12.7	7.2	-15.9	6.6	23.0
UNIVERSITY REIT	O-URETS	2133	7.76	0.72	← MAR	0.36	9.25 X	-10.3	-11.9	25.7	7.8	19.2	4.6	19.7
WASH REIT #	A-WRE	1518	11.48	1.80	← MAR	1.52	24.00 X	3.2	-0.5	15.8	7.5	109.1	13.2	36.4
GROUP AVERAGE		2169	11.27	1.01		1.09	13.43	3.7	5.5	12.4	7.6	19.2	9.6	683.6
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS														
GENERAL RE #	O-CRELS	557	7.15	1.12	MAR	0.96	7.50	0.0	25.0	7.8	14.9	4.9	13.4	4.2
HOTEL INVESTOR#	A-HOT	1558	17.30	1.90	MAY	2.00	19.00	1.3	11.8	9.5	10.0	9.8	11.6	29.6
PITTS & W VA RA	A-PW	1510	22.46	0.56	JUN	0.80	↓ 6.38	0.0	-19.0	8.0	8.8	-71.6	3.6	9.6
RE INV PROPS #	O-REIPS	480	15.07	2.12	MAR	2.28	22.50	2.3	12.5	9.9	9.4	49.3	15.1	10.8
REIT OF CALIF	O-RTCAL	550	8.99	1.20	← JUN	1.36	↑ 15.00	0.0	20.0	11.0	8.0	66.9	15.1	8.3
TERRYDALE R#	O-TRYLS	336	13.76	1.60	↑ MAR	2.24	16.50 X	17.1	18.5	7.1	10.0	16.3	16.3	5.4
US EQUITY & MTG	O-USEM	1257	3.08	0.60	APR	0.80	6.50	8.3	18.2	8.1	9.2	111.0	26.0	8.2
GROUP AVERAGE		893	12.54	1.30		1.49	13.27	5.7	12.7	8.9	9.8	5.8	11.9	76.1
PROPERTY TRUSTS-SUBOR LAND LEASEBACK														
ICM REALTY	A-ICM	3011	14.89	0.24	MAY	0.73	9.00	5.9	28.6	12.3	2.7	-39.6	4.9	27.1
JMB REALTY	O-JMBRS	510	19.53	1.80	MAY	2.69	↑ 16.50	3.1	0.0	6.1	10.9	-15.5	13.8	8.4
PROPERTY CAPITL	A-PCL	2065	13.68	1.20	← JUL	1.20	← 11.13	3.5	-7.3	9.3	10.8	-18.6	8.8	23.0
GROUP AVERAGE		1862	16.03	1.08		1.54	12.21	6.7	3.2	7.9	8.8	-23.8	9.6	58.5
PROPERTY & MTG COMBINATION														
BANKAMER RLTY	O-BRLTS	3547	16.74	1.00	↑ JUL	1.48	↑ 12.75	9.6	21.4	8.6	7.8	-23.8	8.8	45.2
BRT REALTY	A-BRT	1400	3.01	0.00	MAY	0.26	1.63	-6.9	136.2	6.3	0.0	-45.8	8.6	2.3
CONN GEN M&R#	N-CGM	5719	18.96	1.60	JUN	1.90	↑ 19.25	6.2	-8.3	10.1	8.3	1.5	10.0	110.1
FLATLEY RLTY #	O-FLTIS	1000	6.92	0.00	MAR	0.08	3.50	0.0	7.7	43.8	0.0	-49.4	1.2	3.5
INDIANA M&R #	O-INDMS	1154	8.41	0.00	JUN	0.37	↓ 5.00	37.7	42.9	13.5	0.0	-40.5	4.4	5.8
INVESTORS RL#	A-IRT	1579	10.92	0.60	↑ JUN	1.27	9.13	7.4	21.7	7.2	6.6	-16.4	11.6	14.4
MILLER HENRY S	O-HSMTS	560	16.88	1.00	MAY	1.20	13.50	0.0	35.0	11.3	7.4	-20.0	7.1	7.6
MORTGAGE GROWTH	A-MTG	2627	10.64	0.60	MAY	0.48	7.25	-1.8	26.1	15.1	8.3	-31.9	4.5	19.0
PROP TR AMER#	O-PTAS	2338	7.41	0.28	MAR	0.20	4.75	0.0	-7.4	23.8	5.9	-35.9	2.7	11.1
REALTY INCOME	A-RIT	1566	10.96	1.40	← APR	0.00	12.38	7.7	-3.9	0.0	11.3	13.0	0.0	19.4
RIVIERE RLTY #	O-RIVIE	783	8.55	0.56	MAR	0.84	↓ 6.38	-1.8	16.0	7.6	8.8	-25.4	9.8	5.0
SAUL (BF) REIT	N-BFS	5859	5.08	0.00	JUN	0.00	6.25	-9.2	47.1	0.0	0.0	23.0	0.0	36.6
US BANCORP #	A-UBT	840	17.00	0.70	MAY	1.77	13.13	1.9	31.3	7.4	5.3	-22.8	10.4	11.0
VIRGINIA REI#	O-VARES	1251	10.08	0.60	← JUN	0.00	↓ 12.00 X	21.5	54.8	0.0	5.0	-19.0	0.0	15.0
WELLS FARGO M&E	N-WFM	3917	17.45	1.20	← JUN	1.12	↑ 13.63 X	8.2	2.9	12.2	8.8	-21.9	6.4	53.4
GROUP AVERAGE		2276	11.27	0.64		0.73	9.37	7.1	16.2	12.8	6.8	-16.9	6.5	359.4
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR														
BAIRD & WARNER	O-BAIDS	1043	16.09	0.14	APR	0.00	7.25	-3.3	20.8	0.0	1.9	-54.9	0.0	7.6
CENTRAL MTG	O-CMRTS	775	12.28	0.00	JUN	0.38	↑ 6.88	5.8	77.3	18.1	0.0	-44.0	3.1	5.3
FIRST CONTNL	O-FCRES	2106	10.31	0.96	MAY	1.00	8.50	6.3	0.0	8.5	11.3	-17.6	9.7	17.9
FRASER MTG	O-FRASS	1038	16.40	1.08	MAY	0.71	↓ 11.50	2.2	2.2	16.2	9.4	-29.9	4.3	11.9
HANOVER SQ RLTY	A-HSQ	946	11.25	0.00	MAY	0.12	6.75	-5.3	28.6	56.3	0.0	-40.0	1.1	6.4
LOMAS & NETLITN	N-LOM	3700	27.77	1.80	↑ JUN	1.80	↑ 18.75 X	2.4	-5.7	10.4	9.6	-32.5	6.5	69.4
M&T MORTGAGE	O-MTMIS	1482	10.27	1.04	MAY	1.12	10.13	8.0	1.3	9.0	10.3	-1.4	10.9	15.0
MTG TRUST AMER	N-MT	3860	12.82	0.00	MAY	0.66	7.75	12.6	29.2	11.7	0.0	-39.5	5.1	29.9
NATIONWIDE RE	O-NRELS	1047	24.36	0.44	JUN	0.56	14.50	0.0	81.3	25.9	3.0	-40.5	2.3	15.2
SUTRO MTG INV	N-SUT	2322	15.43	0.90	JUN	0.63	9.75 X	5.0	3.9	15.5	9.2	-36.8	4.1	22.6
WESTERN MTG	O-WMTGS	1003	7.75	0.00	MAY	0.08	3.88	10.9	19.4	48.5	0.0	-49.9	1.0	3.9
GROUP AVERAGE		1757	14.98	0.58		0.64	9.60	4.2	15.6	15.0	6.0	-35.9	4.3	205.1
LONG-TERM MTGS & PROPERTIES														
BT MTG INVSTRS	N-BTM	2116	-2.94	0.00	JUN	0.00	↓ 2.38	46.0	5.8	0.0	0.0	-0.0	-0.0	5.0
DEL-VAL FIN CP*	O-DVALS	905	9.39	1.38	MAR	1.24	12.25 X	15.0	-9.3	9.9	11.3	30.5	13.2	11.1
EQUIT LF MTG	N-EQ	5662	23.38	2.00	JUL	2.16	↑ 21.00	9.8	-19.6	9.7	9.5	-10.2	9.2	118.9
HOSPITAL MTG	A-HMG	1178	22.62	0.60	MAY	0.40	10.50	3.7	15.0	26.3	5.7	-53.6	1.8	12.4
MASSMUTUAL MTG	N-MML	4670	19.60	1.36	APR	1.43	14.63	4.5	-4.9	10.2	9.3	-25.4	7.3	68.3
MONY MTG INV	N-MYM	8935	9.87	0.92	MAY	0.86	9.75	3.9	-2.5	11.3	9.4	-1.2	8.7	87.1
MONSTRN MUT MT	N-MNL	4758	18.97	1.00	JUN	0.97	11.75	0.0	-4.1	12.1	8.5	-38.1	5.1	55.9
PACIFIC SO MTG	O-PSMTS	800	11.94	0.60	↓ JUN	0.60	↓ 8.00 X	5.2	18.5	13.3	7.5	-33.0	5.0	6.4
PNB MTG & RL#	N-PNI	2437	18.77	0.80	JUN	1.08	↑ 11.00 X	16.3	2.3	10.2	7.3	-41.4	5.8	26.8
REALTY REFUND	N-RRF	1309	18.58	1.88	↓ JUL	1.88	↓ 17.50	-6.7	-16.7	9.3	10.7	-5.8	10.1	22.9
RLTY & MTG PAC	O-RPACS	1890	18.04	1.28	MAY	1.24	12.63	3.1	2.0	10.2	10.1	-30.0	6.9	23.9
SECURITY MTG	A-SMO	6487	5.88	0.00	JUN	0.00	3.13	13.8	4.3	0.0	0.0	-46.8	0.0	20.3
UNITED REALTY	A-URT	3610	17.60	0.80	MAY	0.74	9.75	1.2	-1.3	13.2	8.2	-44.6	4.2	35.2
GROUP AVERAGE		3443	14.75	0.97		0.97	11.10	7.1	-5.3	11.5	8.7	-24.7	6.6	494.2

#NET CASH FLOW, SEE PAGE 6. \*GROSS CASH FLOW. -0.0 IN % PR TO BOOK INDICATES NEGATIVE BOOK VALUE.  
 VJ-IN BANKRUPTCY REORGANIZATION. ARROWS DENOTE NEW EARNINGS OR DIVIDENDS AND DIRECTION. ZEROES  
 INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS NOT ANNUALIZED.  
 P-PHILADELPHIA EXCHANGE. WESTERN MORTGAGE ALSO TRADES ON BOSTON EXCHANGE.

US EQUITY AND ICM REALTY DIVIDENDS ARE TRAILING 12 MONTHS. CONTINENTAL MORTGAGE EARNINGS FOR 2 MONTHS ENDED MAY 31, 1978  
 BEFORE RESULT OF INCLUDING OPERATIONS OF SUBSIDIARIES.

GROUP CHANGE: EASTOVER CORP. FROM QUALIFIED MTG & FORECLOSED PROPERTY-MISC SPONSOR TO MTG & FORECLOSED PROP-NON-QUALIFIED-  
 INDEPENDENT MGMT.

GUARDIAN MTG. SUSPENDED BY S.E.C.



	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
MTG & FORECLOSED PROPERTY-MISC SPONSOR													
AMER CENTURY MI	N-ACT	2607	5.23	0.00	JUN	0.17 ↑ 3.63	38.0	16.0	21.4	0.0	-30.6	3.3	9.5
COLWELL MTG	O-CLM	2030	2.26	0.00	JUN	6.12 ↑ 2.56	57.1	220.0	0.4	0.0	13.3	270.8	5.2
CONT ILL RLTY	N-CIR	2797	1.64	0.00	JUN	0.00 ↓ 2.88	21.0	-11.4	0.0	0.0	75.6	0.0	8.1
HEITMAN MTG	A-HTM	3292	2.28	0.00	JUN	0.00 ↓ 1.88	7.4	25.3	0.0	0.0	-17.5	0.0	6.2
MIDLAND MTG	N-MMT	2382	-0.01	0.00	MAR	0.00 ↓ 2.50	25.0	100.0	0.0	0.0	-0.0	-0.0	6.0
MISSION INV TR	A-MIT	1812	4.88	0.00	MAY	0.05 4.00	38.9	128.6	80.0	0.0	-18.0	1.0	7.2
NORTH AMER MTG	N-NAM	4401	8.95	0.00	JUN	0.00 3.88	14.8	3.5	0.0	0.0	-56.6	0.0	17.1
WACHOVIA RLTY	N-WRI	3335	9.92	0.00	MAY	0.00 5.38	7.6	19.6	0.0	0.0	-45.8	0.0	17.9
GROUP AVERAGE		2832	4.39	0.00		0.79 3.34	23.4	34.0	4.2	0.0	-24.0	18.0	77.2
PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)													
AMER REALTY	O-ARB	2222	3.32	0.00	JUN	0.12 ↑ 2.50	14.2	115.5	20.8	0.0	-24.7	3.6	5.6
BAY COLONY PROP	N-BAY	2992	7.04	0.00	MAY	0.00 4.13	31.9	50.2	0.0	0.0	-41.3	0.0	12.4
C I REALTY #	N-CIX	2609	16.67	0.00	MAY	0.32 ↓ 13.00	8.3	22.3	40.6	0.0	-22.0	1.9	33.9
CITIZENS GROWTH	O-CITGS	811	6.76	0.00	APR	0.00 4.00	0.0	128.6	0.0	0.0	-40.8	0.0	3.2
FRANKLIN RLTY	A-FR	999	7.82	0.00	MAR	0.14 5.00	-2.5	-2.5	35.7	0.0	-36.1	1.8	5.0
SUMMIT PROP #	O-SMSTS	1543	6.89	0.00	APR	0.03 4.50	12.5	12.5	150.0	0.0	-34.7	0.4	6.9
US REALTY #	N-UTY	3434	4.03	0.00	MAR	0.28 5.38	2.5	10.2	19.2	0.0	33.5	6.9	18.5
WALTER RLTY #	O-WALJS	1035	6.80	0.00	APR	0.00 4.00	3.1	-23.8	0.0	0.0	-41.2	0.0	4.1
WISCONSIN REIT	O-WREIS	1514	4.90	0.00	MAR	0.08 2.75	4.6	-29.1	34.4	0.0	-43.9	1.6	4.2
GROUP AVERAGE		1907	7.14	0.00		0.11 5.03	7.2	14.8	46.7	0.0	-29.5	1.5	93.8
MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT													
ALAMAND CORP	O-ALAM	1355	0.59	0.00	APR	0.22 3.38	12.7	107.4	15.4	0.0	472.9	37.3	4.6
BARNETT-WINSTON	O-BWITS	1663	-1.18	0.00	MAR	0.00 1.63	44.2	85.2	0.0	0.0	-0.0	-0.0	2.7
BUILDERS INV	O-BULDS	2929	0.60	0.00	MAR	0.00 2.38	-17.4	110.6	0.0	0.0	296.7	0.0	7.0
CAPITAL MTG	P-CMU	1675	-1.28	0.00	JUN	0.00 ↓ 1.38	5.3	70.4	0.0	0.0	-0.0	-0.0	2.3
VJCONTINENTAL MTG	O-CMI	20838	-3.73	0.00	MAY	0.07 ↑ 0.29	11.5	16.0	4.1	0.0	-0.0	-0.0	6.0
COUSINS M&E	N-CUZ	3854	0.99	0.00	MAY	0.00 3.38	50.2	125.3	0.0	0.0	241.4	0.0	13.0
DIVERSIFIED MTG	N-DMG	7327	8.46	0.00	JUN	0.00 ↓ 3.38	17.4	28.5	0.0	0.0	-60.0	0.0	24.8
VJDOMINION M&R	O-DMRTS	639	-10.86	0.00	MAY	0.24 0.50	0.0	100.0	2.1	0.0	-0.0	-0.0	0.3
EASTOVER CORP	O-EASTS	1008	11.41	0.00	JUN	0.46 ↑ 8.50	9.7	61.9	18.5	0.0	-25.5	4.0	8.6
FIRST MORTGAGE	O-FMTGS	8495	-6.27	0.00	APR	0.02 0.88	33.3	57.1	44.0	0.0	-0.0	-0.0	7.5
FIRST NEWPORT R	O-FNRIS	2339	3.30	0.00	APR	0.00 1.38	10.4	-4.2	0.0	0.0	-58.2	0.0	3.2
FIRST VIR REIT	O-FVM	1208	6.02	0.00	MAR	0.22 2.06	9.6	37.3	9.4	0.0	-65.8	3.7	2.5
VJGREAT AMER M&I	O-GAA	4456	-12.99	0.00	APR	0.09 0.56	-6.7	124.0	6.2	0.0	-0.0	-0.0	2.5
GROWTH RLTY	N-GRW	2059	6.88	0.00	MAR	0.00 4.63	19.3	32.3	0.0	0.0	-32.7	0.0	9.5
VJGUARDIAN MTG	P-GMI	3000	-14.72	0.00	FEB	0.00 0.00	*****	*****	0.0	0.0	-0.0	-0.0	0.0
HAMILTON INV	O-HAMTS	2143	5.00	0.00	JUN	0.00 2.50	0.0	33.0	0.0	0.0	-50.0	0.0	5.4
INSTITUTAL	N-INV	6074	2.64	0.00	APR	0.00 2.00	14.3	-16.0	0.0	0.0	-24.2	0.0	12.1
KENTUCKY PROPTY	O-KMTGS	1100	2.67	0.00	MAY	1.05 ↑ 2.63	0.0	163.0	2.5	0.0	-1.5	39.3	2.9
LIFETIME COM	O-LFTMS	6598	2.51	0.00	APR	0.09 1.00	13.6	122.2	11.1	0.0	-60.2	3.6	6.6
LINCOLN MTG	O-LNMGs	1155	0.88	0.00	JUN	0.18 ↑ 3.00	26.1	117.4	16.7	0.0	240.9	20.5	3.5
VJMETROPLEX RLTY	O-JMI	1184	-0.28	0.00	MAR	0.00 1.00	33.3	78.6	0.0	0.0	-0.0	-0.0	1.2
MTG INV WASH	O-MINVS	2146	4.08	0.00	MAR	0.00 3.75	7.1	50.0	0.0	0.0	-8.1	0.0	8.0
NATIONAL MTG	O-NMF	3707	2.00	0.00	MAY	0.04 ↑ 1.19	35.2	112.5	29.8	0.0	-40.5	2.0	4.4
NJB PRIME INV	O-NJB	1330	-6.60	0.00	MAY	0.00 1.00	0.0	222.6	0.0	0.0	-0.0	-0.0	1.3
PLAZA REALTY	O-PRISS	1114	0.84	0.00	MAR	0.00 1.38	38.0	46.8	0.0	0.0	64.3	0.0	1.5
REPUBLIC MTG	N-RMI	2107	3.92	0.00	MAR	0.00 2.50	42.9	11.1	0.0	0.0	-36.2	0.0	5.3
TEXAS FIRST MTG	O-TFMRS	1055	7.95	0.00	MAR	0.01 3.63	3.7	38.0	363.0	0.0	-54.3	0.1	3.8
TIERCO	O-TIERS	1170	6.49	0.00	JUN	0.57 ↑ 2.38	0.0	58.7	4.2	0.0	-63.3	8.8	2.8
TMC INDUST	O-TMG	1195	0.96	0.00	MAR	2.96 ↑ 2.75	-4.5	472.9	0.9	0.0	186.5	308.3	3.3
TRECO	O-TRECS	2174	0.95	0.00	JUN	0.00 ↓ 2.13	35.7	326.0	0.0	0.0	124.2	0.0	4.6
UMET TRUST	N-UAT	2109	-2.75	0.00	MAY	0.00 2.00	22.7	-33.3	0.0	0.0	-0.0	-0.0	4.2
WESTPORT CO	O-WSPTS	2388	4.24	0.00	APR	0.00 3.69	55.0	64.0	0.0	0.0	-13.0	0.0	8.8
GROUP AVERAGE		3175	0.71	0.00		0.19 2.28	13.5	55.8	11.7	0.0	220.7	27.4	174.2
MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR													
AMER FLETCHER M	O-AFM	1352	-0.11	0.00	APR	0.67 2.25	28.6	155.7	3.4	0.0	-0.0	-0.0	3.0
CAMERON-BROWN	N-CB	2016	7.05	0.00	JUN	0.00 4.00	45.5	52.1	0.0	0.0	-43.3	0.0	8.1
CHASE MAN MTG	O-CMR	4886	-4.73	0.00	MAY	0.00 1.18	25.5	-37.2	0.0	0.0	-0.0	-0.0	5.8
CITINATL DEV	O-CITI6	600	13.04	0.00	MAR	0.00 6.50	0.0	4.0	0.0	0.0	-50.2	0.0	3.9
CITIZENS MTG	O-CZM	1421	-16.59	0.00	MAR	0.00 0.63	0.0	117.2	0.0	0.0	-0.0	-0.0	0.9
CITZNS&SO RLTY	O-CZS	3829	-3.19	0.00	MAR	0.00 1.13	20.2	79.4	0.0	0.0	-0.0	-0.0	4.3
CLEVELAND TRUST	O-CTRIS	2525	10.55	0.00	JUN	0.00 5.13	8.0	36.8	0.0	0.0	-51.4	0.0	13.0
FIDELCO GROWTH	A-FGI	1580	3.73	0.00	MAY	0.19 3.00	33.3	33.3	15.8	0.0	-19.6	5.1	4.7
FIRST DENVER MI	O-FDENS	1621	6.27	0.00	JUN	0.00 ↓ 2.25	-5.5	0.0	0.0	0.0	-64.1	0.0	3.6
FIRST MEMPHIS	O-FMEMS	1156	4.41	0.00	MAY	0.18 ↓ 2.88	15.2	92.0	16.0	0.0	-34.7	4.1	3.3
FIRST PENN MTG	N-FPM	2961	1.33	0.00	APR	0.00 2.13	30.7	21.7	0.0	0.0	60.2	0.0	6.3
FIRST WISCONSIN	O-FWMTS	1987	5.58	0.00	JUN	0.00 3.75	57.6	87.5	0.0	0.0	-32.8	0.0	7.5
INDEPENDENCE MT	O-INTGS	2500	-4.03	0.00	MAR	0.00 1.44	27.4	118.2	0.0	0.0	-0.0	-0.0	3.6
MARYLAND REALTY	O-MDRTS	760	8.43	0.00	MAY	0.17 3.75	-3.4	7.1	22.1	0.0	-55.5	2.0	2.9
NW FINANCIAL IN	O-NFINIS	1510	14.29	0.00	JUN	0.16 9.38	-5.1	27.1	58.6	0.0	-34.4	1.1	14.2
TRI-SOUTH MTG	N-TSI	2260	1.85	0.00	JUN	0.00 2.63	31.5	75.3	0.0	0.0	42.2	0.0	5.9
GROUP AVERAGE		2060	2.99	0.00		0.09 3.25	12.4	33.1	38.0	0.0	8.7	2.9	91.0
MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS													
ATLANTA NATL	O-ATNAS	1273	9.00	0.00	MAY	0.53 ↑ 5.25	16.7	55.3	9.9	0.0	-41.7	5.9	6.7
BARNES MTG INV	O-BARNs	1910	11.10	0.00	JUN	0.00 3.38	12.7	22.9	0.0	0.0	-69.5	0.0	6.5
CI MTG GROUP	P-CI	4812	-3.10	0.00	APR	0.00 1.75	54.9	153.6	0.0	0.0	-0.0	-0.0	8.4
GMR PROP	N-GMR	2210	3.73	0.00	MAY	0.00 2.38	36.0	11.7	0.0	0.0	-36.2	0.0	5.3
IDS REALTY	O-IDR	2409	-10.31	0.00	APR	0.54 2.63	7.8	56.5	4.9	0.0	-0.0	-0.0	6.3
SOUTH ATLANTIC	N SAT	2706	2.81	0.00	APR	0.00 3.50	47.1	33.1	0.0	0.0	24.6	0.0	9.5
STATE MUTUAL	N-SMU	2786	7.89	0.00	JUN	0.15 4.75	22.4	30.9	31.7	0.0	-39.8	1.9	13.2
GROUP AVERAGE		2587	3.02	0.00		0.17 3.38	23.9	40.0	19.4	0.0	11.9	5.8	55.9

## CONVERTIBLE DEBENTURES

DEBENTURE	EX	MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE
AMER CENTURY	AS	'90	7.00	21.00	67.50	10.4	5.5	14.17	3.63
AMER CENY'B	NY	'91	6.75	28.00	63.00	10.7	-1.5	17.64	3.63
AMER REALTY	OC	'84F	7.00	10.40	54.00	DEF	-14.2	5.61	2.50
BAIRD&WARNER	OC	'91	6.75	21.00	67.00	10.1	0.0	14.07	7.25
BANKAMERICA	OC	'90	6.75	21.00	82.00	8.2	0.0	17.22	12.75
BENEF STD MI	OC	'91F	6.50	27.75	55.00	11.8	10.0	15.26	3.38
CAPITAL MTG	OC	'91F	6.50	33.00	53.00	12.3	-1.8	17.49	1.38
CHASE MANHTN	OC	'96F	6.50	55.00	32.00	DEF	6.7	17.60	1.18
CHASE MANHTN	OC	'97	11.63	2.25	47.00	24.7	2.2	1.05	1.18
CONN GENERAL	NY	'96	6.00	32.50	74.00	8.1	8.0	24.05	19.25
CONTINTL MTG	OC	'90	6.25	19.79	25.00	VJ	22.0	4.94	0.29
EQUITBL LF M	NY	'90	6.75	26.25	82.50	8.2	-1.1	21.65	21.00
FIRST NEWPT	OC	'91F	6.75	27.50	47.00	14.4	14.6	12.92	1.38
FIRST PENN M	OC	'91F	6.75	26.00	54.00	12.5	0.0	14.04	2.13
FIRST UNION	NY	'91	7.00	13.00	89.50	7.8	0.6	11.63	11.75
FRANKLIN RLY	AS	'89	7.00	10.00	75.63	9.3	2.5	7.56	5.00
GRT AMER MI	OC	'91	7.00	35.50	14.00	VJ	0.0	4.96	0.55
HANOVER SQ R	AS	'92	7.25	21.00	79.00	9.2	0.0	16.59	6.75
HEITMAN MTG	AS	'92	7.50	14.70	63.50	11.8	0.8	9.33	1.88
HOTEL INVSTR	OC	'90	7.75	21.00	88.00	8.8	0.0	18.48	19.00
HOTEL INVTRS	OC	'91	7.50	25.25	83.00	9.0	0.0	20.95	19.00
LINCOLN MTG	OC	'90	8.00	11.00	64.00	12.5	6.7	7.04	3.00
MASSMUTL MTG	NY	'90	6.75	21.00	80.25	8.4	-2.6	16.85	14.63
MASSMUTUAL M	NY	'91	6.25	33.50	76.00	8.2	0.7	25.46	14.63
MIDLAND MTG	OC	'86	7.00	16.67	57.50	12.2	10.6	9.58	2.50
MONY MTG IN	NY	'90	7.00	11.00	87.50	8.0	4.2	9.62	9.75
MTG INV WASH	OC	'90	8.00	15.00	62.00	12.9	0.0	9.30	3.75
NJB PRIME	OC	'91F	6.75	21.00	36.00	DEF	-2.6	7.56	1.00
NOWSTRN MUTL	NY	'91	6.00	21.00	75.00	8.0	0.0	15.75	11.75
RAM PACIFIC	OC	'91	6.75	21.00	74.00	9.1	0.7	15.54	12.63
REALTY INCOM	AS	'91	8.00	18.00	83.00	9.6	0.0	14.94	12.38
REPUBLIC MI	NY	'90	9.00	19.00	92.13	9.8	0.0	17.50	2.50
SAUL (BF) RL	OC	'91	6.50	23.00	65.00	10.0	0.0	14.95	6.25
SAUL(BF) REI	OC	'90	8.00	15.50	78.00	10.3	0.0	12.09	3.25
STATE MUTUAL	AS	'91F	6.75	21.00	71.00	9.5	1.4	14.91	4.75
SUTRO MIT	NY	'82	6.75	20.00	85.25	7.9	-0.2	17.05	9.75
SUTRO MTG	AS	'91	6.75	20.00	72.00	9.4	0.0	14.40	9.75
TRI-SO / SR	P	'88	10.00	2.50	110.00	9.1	9.5	2.75	2.63
TRI-SOUTH MI	NY	'92F	7.00	29.50	65.00	DEF	22.6	19.17	2.63
US BANCORP	AS	'92	7.00	26.25	75.00	9.3	0.0	19.68	13.13
US REALTY IN	NY	'89	5.75	20.20	65.00	8.8	0.4	13.13	5.38
WESTPORT CO	OC	'91F	6.75	21.00	58.00	11.6	3.6	12.18	3.69

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ-IN BANKRUPTCY REORGANIZATION. F-TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF-IN DEFAULT.

## WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
BARNES MTG	O-BARNW	12/82	1910	20.00	1.0	0.05	3.38	493.2	0.0	0.1
CAPITAL MTG	O-CMORW	11/79	471	16.59	1.0	0.03	1.38	1104.3	0.0	0.0
CITIZNS&SO-B	O-CZS5	4/83	258	2.00	50.0	6.00	1.13	87.6	14.3	1.5
FLATLEY RLTY	O-FLTLW	5/79	1000	10.00	1.0	0.19	3.50	191.1	0.0	0.2
JMB REALTY	O-JMBRW	8/82	510	20.00	1.0	1.00	16.50	27.3	33.3	0.5
M&T MTG INV	O-MTHIZ	8/80	747	13.00	1.0	0.38	10.13	32.1	52.0	0.3
MTG INV WASH	O-MINWV	3/80	931	15.00	1.0	0.06	3.75	301.6	0.0	0.1
NATIONWID RE	O-NRELW	1/81	652	32.00	1.0	0.06	14.50	121.1	0.0	0.0
NORTH AM MTG	A-NAMW	3/79	710	31.13	1.0	0.06	3.88	703.9	-53.7	0.0
REALTY REFUN	O-RRF5	8/78	328	18.00	1.0	0.13	17.50	3.6	0.0	0.0
REPUBLIC MI	A-RMIW	6/79	1064	20.00	1.0	0.03	2.50	701.2	-49.9	0.0
SAN FRAN REI	A-SFIW	12/80	1348	25.00	1.0	0.75	16.75	53.7	0.0	1.0
SECURITY MT*	A-SMOW	5/79	3117	16.00	1.0	0.06	3.13	413.1	100.0	0.2
SUTRO MIT(B)	A-SUTW	6/82	700	20.00	1.0	1.00	9.75	115.4	33.3	0.7
UNITED RLTY	A-URTW	12/79	3610	20.00	1.0	0.13	9.75	106.5	0.0	0.5

\*DEBENTURES USABLE IN LIEU OF CASH.

## NON/LOW EARNING INVESTMENTS AS OF AUGUST 22, 1978

	Number	----Invested Assets----- Non/Low-Earn.	Total	% Non- and low-earning	% Change in month
PROPERTY.....	31	\$ 91M	\$ 2,006M	4%	-4.2%
PROPERTY & MTG.....	24	521	1,952	27	-2.1
SHORT/TERM MTG.....	11	169	694	24	-11.5
L/T MTG/PROPERTY....	13	307	1,735	18	-5.5
MTG/FORECLOSED PROP.	63	4,974	6,740	74	-2.7
TOTALS/AVERAGES....	142	\$6,062M*	\$13,126M	46%	-3.1%

\* Includes \$995M or 7.5% low-earning assets.

## HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

**Annualized Dividend and Yield:** Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

**Annualized Earnings and Price/Earnings Ratio:** For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "\$" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "\*". Cash flow derived from amortization of debt discount is denoted by "@". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS.

**Shares:** The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. Book value per share is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.



## EARNINGS TRENDS: SPECIAL GAINS DOMINATE AS BANKS STEP UP LENDING -- TO PROPERTY BUYERS

Reports from 56 trusts this past month pile up evidence that 1978 will be the year of special earnings gains for realty trusts. Nearly half -- or 26 -- of the 56 trusts unveiling results this past month reported some special gains.

We tally ten different types of special gains in our table on page 8 (see Note #).

But because these gains are now boosting earnings for many trusts, especially the troubled non-qualified trusts, they're worth a special look.

The surface explanation is that mortgage and money markets are so strong -- despite rising interest rates -- that trusts can generate good gains on asset sales and interest recoveries when loans -- many times nonearning -- are repaid.

But a deeper look turns up a little noticed phenomenon:

Many banks that steered clear of the REIT collapse are now making large unsecured loans to stronger real estate operators so they can buy properties from trusts.

"They seem to be buying the world," marvels one REIT manager.

So far West Coast banks are leading this new parade into real estate. Most New York City banks are still hung up on trust loans and the Chicago banks prefer mortgages. This new bank money is largely fueling the surge in special gains for trusts. All told the 56 trusts reporting reaped \$51.7 million in their latest periods.

Debt restructuring accounted for \$38.8 million of the total, largest numbers being \$22.6 million by TRECO (formerly Barnett Mortgage) in its March 1978 quarter and \$16.0 million by Colwell Mtg. as it completed its Ch. XI reorganization.

Colwell winds up paying 8% interest to its banks but earnings should benefit as all subordinated debt is eliminated via conversion to preferred plus partial payout.

TRECO narrowly averted bankruptcy by its restructuring; the gain gives it \$4 million positive net worth, which falls to \$2 million when intangibles are deducted.

But lush restructuring gains by themselves do not breath life into a trust.

Case in point: Chase Manhattan Mtg. which reported losing \$6.15 million or \$1.26/sh. in the May quarter and \$19.2 million or \$3.93/sh. in the May fiscal year. And the yearly loss came after \$9 million or \$1.83/sh. gains on asset swaps and restructuring.

Chase had banked \$11.42/sh. restructuring gains during FY 1977.

Chase's banks have agreed in principle to a new restructuring in Ch. XI (RTR, May 26) calling for repayment of all senior debt, including the defaulted 7-7/8s due May 1, and conversion of all subordinated debt into preferred stock representing 94% of remaining equity. Proxy material should go to the S.E.C. in September.

Complicating solution is a fresh lawsuit filed by an investor who turned in his old debentures for Chase's 11-5/8% convertibles in a 1977 restructuring effort.

Loss reserve reversals totaled \$4.4 million and four trusts benefitted.

TRECO, again, booked \$3.2 million or \$1.72/sh. credit from its loss reserve because restructuring let it enjoy a lower cost of capital and thus cut holding costs.

But three other trusts also had major credits from their reserve: Eastover Corp. by 42¢/sh. when it repaid all bank debt and could also reduce its holding costs.

Indiana Mtg. by 31¢/sh. and 72¢/sh. in its June quarter and year respectively.

Kentucky Property by 44¢/sh. in the May qtr. after disposing of some idle assets.

Gains on asset sales netted \$3.6 million for 14 trusts, by far the largest number of trusts in any one category.

Most gains were small, largest being \$1.06 million or 42¢/sh. by Amer. Equity.

Two trusts used the big gains to beef up their loss reserves. This means that capital gains show up in our table as a large part of total earnings, although operating earnings with a normal loss provision were strong for both.

# New Earnings Reports

Trust-Period ended	Latest Q-Th.\$- Earn/Spcl. Item#	Latest Q-EPS--- Earn/Spcl. Items#	Earnings/sh.- Prev.Q	Yr.agoQ	Z Chng. From** Prev.Q	Yr.agoQ
Quarterly results: Qualified trusts:						
Amer. Century....June..	\$ 288/ 222S	\$0.11/0.09S	d\$0.07	d\$0.18	Better	Better
Amer. Equity.....June..	1,641/1,055G	0.58/0.42G	0.21a	0.08a	+100%*	Better
BankAmerica Rlty..July..	1,335	0.37	0.31	0.17	+19	+118%
BT Mtg. Inv.....June..	d292	d0.14	+0.31b	d0.26	Better*	Better
Central Mtg.....June..	201/ 168G	0.26/0.22G	0.03a	d0.39	+25*	Better
Commonwealth Rl..May...	39/ 12G	0.04/0.01G	0.02	+0.00	+50	Better
Consol. Capital..May...	d130	d0.07	0.03a	d0.09	NH	Better
Equit. Lf. Mtg....July..	3,102	0.54	0.46	0.60	+17	-10
Federal Realty...June..	416	0.29	0.35a	0.29	UC*	UC
Florida Gulf Rl..July..	198/ 21G	0.20/0.02G	0.14	0.15	+29*	+20*
Fraser Mtg. Inv..May...	519/ 444G	0.50/0.43G	0.26	0.25	+92	+100
General Growth...June..	2,157/ 49G	0.35/0.01G	0.39a	0.29	+17*	+17*
Gould Invest.....June..	206	0.18	0.15	0.12	+20	+50
Heitman Mtg. Inv..June..	d925	d0.28	+0.01	d0.11	Worse	Worse
Indiana Mtg.&Rl..June..	427/ 357e	0.37/0.31e	0.01	d0.48	Better	Better
JMB Realty.....May...	393/ 68G	0.77/0.13G	0.46	0.47	+39*	+36*
New Plan Rlty....Apr...	448	0.27	0.38a	0.23	+8*	+17
No. Amer. Mtg....June..dl	648	d0.37	d0.35	d1.04	Worse	Better
Pacific So. Mtg..June..	123	0.15	0.13	0.13	+15	+15
Pitts.&W.Va.RR...June..	300	0.20	0.21	0.20	-5	UC
Property Capital..July..	619/ 200G	0.30/0.10G	0.30	0.30	UC	UC
REIT of Calif....June..	185	0.34	0.32	0.29	+6	+17
Realty Refund....July..	616	0.47	0.51	0.59	-8	-20
San Francisco RE..June..	346	0.25	0.23	0.13	+9	+92
Security Mtg.....June..	d843	d0.13	d0.01	0.06	Worse	Worse
Terrydale Rlty...June..	132	0.39	0.66a	0.36	-28*	-8
Virginia REIT....June..	d107/ d252W	d0.09/d0.20W	d0.03b	0.09	Better*	Better*
Washington REIT..June..	707	0.47	0.34	1.48a	+38	+15*
Wells Fargo M&E..June..	1,316	0.34	0.30	0.28	+17	+21
Quarterly results: Non-qualified business trusts:						
Amer. Realty Tr..June..	59	+0.03	d0.16	d0.09	Better	Better
Atlanta Nat. RE..May...	304/ 1451	0.24/0.11I	d0.04	d0.50	Better	Better
Barnes Mtg. Inv..June..	d441/ 508G	d0.23/0.27G	d0.20a	d0.30a	Worse*	UC*
Bay Colony Prop..May...	d195/ 83S	d0.07/0.03S	+0.07b	d0.36	Better*	Better*
Cameron-Brown...June..	d222/1,116S	d0.11/0.55S	d0.25b	d0.59	Better*	Better*
Capital Mtg. Inv..June..	d929/ 676S	d0.55/0.40S	+0.49b	+0.40b	Worse*	Worse*
Chase Man. Mtg...May...d6	153	d1.26	d1.37	+11.42b	Better	NH
Colwell Mtg. Tr..June..16,320/15,958Z		+6.12/5.92Z	d0.25	d0.55	Better	Better
Cont. Ill. Rlty..June..dl	045	d0.37	d0.09	d0.00	Worse	Worse
Diversified Mtg..June..d252		d0.03	+0.16b	+0.17b	Better*	Better*
Eastover Corp....June..	467/ 421e	0.46/0.42e	d0.06	d0.32	Better	Better
First Denver Mtg..June..	d444/ 231G	d0.27/0.14G	0.16	d0.04	Worse	Worse
First Wisc. Mtg..June..	0	0.00	0.00	0.00	UC	UC
Hamilton Inv. Tr..June..	d181	d0.08	d0.08	d0.21b	UC	Better
Kentucky Prop....May...	1,147/759S&481e	1.05/0.69S&44e	d0.06	d0.12	Better	Better
Lincoln Mtg.....June..	209/ 134G	0.18/0.12G	d0.06a	d0.29	Better	Better
National Mtg....Feb...	d 49/ 990S&G	d0.02/0.26S&G	0.00b	+2.94b	Worse*	Better*
NW Finc'l. Inv..June..	58	0.04	0.08a	0.00	-20*	Better*
Plaza Realty....Mar...	d172	d0.15	d0.50	d0.19	Better	Better
Republic Mtg....June..	+ 2/ 412S	+0.00/0.20G	d0.30	d0.32	Better*	Better*
Saul(B.F.) REIT..June..	d909/ 536G	d0.16/0.09G	d0.20a	d0.30	Better*	Better*
So. Atlantic Tr. Apr...dl	243	d0.46	d0.57a	d0.34	Better	Better*
TIERCO.....June..	670/ 826S&G	0.57/0.70S&G	d0.07b	+0.68b	Worse*	Worse*
TRECO (Barnett)..Mar...24,216/22,582Z		10.75/9.81Z	d0.72	d0.78	Better	Better
Tri-South Mtg....June..	d110/ 294Z	d0.05/0.13Z	d0.23	+0.69b	Better	Better
U.S. Realty Inv..June..	d159	d0.05	d0.06	+0.04a	Better	Better*
Wisconsin REIT...June..	d 80	d0.05	+0.01	d0.02	Worse	Worse
Annual results: All trusts:						
Amer. Century....June..	d730/ 222S	d0.28/0.09S	\$d0.90/0.49S	---	Better	---
BankAmer. Rlty...July..	8,068/5,165G	2.27/1.46G	1.05/0.50G	---	+49*	---
Bay Colony Prop..May...	d245/ 563S	d0.08/0.18S	d0.41/0.32S	---	Worse*	---
Chase Man. Mtg...May...d19,179/8,975S&Z		d3.93/1.83S&Z	+11.03/15.46Z	---	Worse*	---
Fraser Mtg.....May...	1,310/ 444G	1.26/0.43G	0.98	---	+29	---
Indiana Mtg.&Rl..June..	721/ 826e	0.36/0.72e	d3.86	---	Better	---
National Mtg....Feb...	d284/1,753S	d0.08/0.47S	1.91/3.23X&S	---	Better*	---
Property Capital..July..	2,486/ 200G	1.20/0.10G	1.20	---	UC	---
TRECO (Barnett)..Mar...17,021/22,632Z		7.44/9.83Z	d3.44/6.64S	---	Better	---
Wells Fargo M&E..June..	5,238	1.34	0.95	---	+41	---

UC=Unchanged. NM=Not meaningful. r=Restated. p=Preliminary. d=Deficit.

#=Special items shown in both thousand dollars and share amounts as: G=Gain on sale of assets; I=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit; R=Recovery of past-due interest; S=Swap of assets with banks; T=Gain on market purchase of debt at discounts; W=Gain (loss) on mortgage refinancing; X=Settlement with adviser or sponsor; Z=Gain on debt restructuring via exchange or tender offers.

\*\* Comparisons are based upon earnings per share. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse."

\* Compared before special items.

a--Gains or losses on asset sales in share results for previous and year-ago quarters are:

Amer. Equity, 13¢/sh. in prev. and 8¢/sh. in year-ago; Central Mtg., 6¢/sh. in prev.; Con. Cap., 6¢/sh. in prev.; Federal, 6¢/sh. in prev.; Gen. Growth, 10¢/sh. in prev.; New Plan, 13¢/sh. in prev.; Terrydale, 12¢/sh. in prev.; Wash., \$1.07/sh. in year-ago; Barnes, 21¢/sh. in prev. and 19¢/sh. gains and swap gains in year-ago; Lincoln, 7¢/sh. in prev.; NW Finc'l., 3¢/sh. in prev.; Saul, 8¢/sh. in prev.; U.S. Rlty., 10¢/sh. in year-ago.

b--Asset swap gains, tax benefits from net operating losses (NOL), and gains from early retirement of debentures at discounts via tenders in previous and year-ago qtrs. are: BT Mtg., 79¢/sh. in prev.; Virginia, 3¢/sh. loss on mtg. refinancing in prev.; Bay Colony, 15¢/sh. swaps in prev.; Cameron-Bt., 52¢/sh. swaps in prev.; Capital, 65¢/sh. swaps and 19¢/sh. asset sale gain in prev.; 35¢/sh. swap in year-ago; Chase Man., \$13.44/sh. restructuring gain in year-ago; Diversified, 34¢/sh. net operating loss benefit in prev.; 69¢/sh. swap gain in year-ago; Hamilton, 47¢/sh. swap gain in year-ago; National, 13¢/sh. swaps in prev. and \$3.23/sh. swaps in year-ago; TIERCO, 2¢/sh. asset sale gain in prev. and 26¢/sh. sale and swap gains in year-ago; Tri-South, \$1.21/sh. swap gain in year-ago.

c--Credits from loss reserve.

restructuring fees on two land loans, and 5¢/sh. gain on condo sales, all overcoming negative impact of interest rises.

Fraser Mtg. used a 43¢/sh. gain on sale of a large Florida land parcel to Mobil Corp. to add 15¢/sh. to its reserves.

Property Capital did likewise, using a 10¢/sh. gain to add 14¢/sh. to reserves.

Asset swap gains totaled \$4.9 million for eight trusts, indicating more and more trusts are sharing in this favorite escape route for banks.

Cameron-Brown Inv. cashed \$1.1 million or 55¢/sh. swap gains; CBIG didn't start swapping assets until recently, after lengthy negotiations with banks.

National Mtg. and Kentucky Prop. also reported good swap gains (table, p. 8).

More swaps appear ahead: C.I. Mortgage's new credit agreement boosts swaps.

And Continental Illinois Realty signed a new credit calling for it to repay \$55.2 million by Dec. 31, 1979; if it meets that steep schedule, sponsor Continental Illinois Bank of Chicago will make \$35 million in loans and swaps available to let CIR repay \$25 million of 7-5/8% senior subordinated notes on time, Dec. 15, 1979.

CIR is asking debenture holders to let it give up REIT status and trustees will consider internalizing management, including possibly adopting a new name.

Recovery continues elsewhere. BankAmerica Realty posted 37¢/sh. in its July year-end quarter, benefiting from lower non-earning assets and sale of some low-yielding properties in the year.

Net works out to an annualized 8.8% return on book value, back near normal.

Equitable Life Mtg. boosted net to 54¢/sh. in the July quarter, best showing in a year and aided by fall of nonearning investments to 7.9%. Net benefitted by 4¢/sh. collection of overdue interest, 2¢/sh.